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Before the

Postal Regulatory Commission

Lance P. McDermott,

Plaintiff, REGULATORY  
COMMISSION  
vs. OFFICE OF THE SECRETARY

John P. Potter, Postmaster General, United  
States Postal Service, *Et Al*,

Defendants.

) Complaint of the Determination to Sell,  
) Consolidate, and Dispose of the Facilities  
) Located in Washington State.  
) Title 39 Sections 222, 241, 404, 3001, 3030,  
) 3031, and 3662.

) *Docket No. C 2010-2*

)

**Title 39 section 3030.10 (a)(2) Violations of Statute**

1. The unsigned USPS Final Agency Decision (exhibit 1) dated, 23 February 2010, concerning the consolidation, sale and disposal of the Seattle- Queen Anne Station Post Office failed to follow the Due Processes contained in Title 39. Pursuant to Title 39 Section 3031.10 I ask the PRC to review this and other unlawful actions and inactions of the Postal Service.

a. USPS Postal Operations Handbook PO-101.121 – “Under Title 39, United States Code, Section 404(b), any decision ... must be based on **certain criteria**.” Title 39 404(d)(3) – Any determination of the Postal Service ... Such determination and **findings shall be made available to persons served by such post office.**” The Final Decision (exhibit 1) to consolidate, sell and dispose of the Queen Anne Post Office did not include the findings covering all the required considerations after public comments are received and taken into account. Title 39 Section 241.3(2)(ii). Also see GAO Report GGD-89-11.

b. The Western Area Optimization process (exhibit 3) plan was not included in the supporting documents. It apparently was not made using the Retail Optimization Access Management (ROAM) mapping tool or the Model for Optimizing Retail Effectiveness (MORE) tool that the Postal Service invested millions of dollars (contract) for to help them manage retail facilities.

c. The Final Decision to consolidate, sell and dispose of the facility (exhibit 1), Public Notification of the consolidation, sale and disposal of (exhibit 2) and Memo to employees

1 regarding the consolidation, sale and disposal (exhibit 3) are **not signed** by any accountable  
2 official. The memo (exhibit 3) states that the facility is part of a **consolidation** recommendation  
3 and it outlines the steps in the **disposal process** for the facility without following the legal Due  
4 Processes for facility consolidation or closure (disposal). This is a blatantly by-passing the  
5 lawful Due Process for closure of Postal Facilities and hiding it from accountability and review.  
6 The Postal Service's creative use of the word "disposal" is hiding the fact that it made decision to  
7 close and sell the Post Office without following the law.

8 d. Title 39 Section 241.3(c) Initial Proposal – (1) – "In general. If a District Manager,  
9 believes that the discontinuance of a post office within his or her responsibility may be  
10 warranted, the manager: (i) Must use the standards and procedures in Section 241.3(c) and (d).  
11 (ii) **Must investigate the situation...**" The District Manager failed to use the standards and  
12 procedures set forth in the Federal Regulations and Postal Policy to sell and dispose of a Federal  
13 Facility.

14 e. In PRC Docket No. A2000-1, Roanoke, West Virginia, - "As explained in greater detail  
15 below, the Commission finds, after considering section 404(b) of the Act and the applicable  
16 regulations, that the Postal Service did not act within the statutory guidelines in reaching its  
17 decision... The Commission also finds that the Postal Service failed to comply with section  
18 241.3(d)(3) of its own regulations which requires postal officials... **prejudiced the customers'**  
19 **ability to file a timely appeal in accordance with section 404(b)(5) of title 39, United States**  
20 **Code.**" The Postal Service's failure to issue a, signed by the proper authority, Final Agency  
21 Decision to sell and dispose of a facility has prejudiced my ability to file a Formal Complaint.

#### 22 **Title 39 section 3030.10(a)(3) Other Issues**

23 **2. The Final Decision to sell the Post Office built by the Federal Government in 1965 was not**  
24 **made in accordance with the established Lawful Due Process Procedures.**

25 a. Title 39 Section 404(d)(1) – "The Postal Service, **prior** to making a determination ... shall

1 provide adequate notice... to ensure that such persons will have an opportunity to present their  
2 views.” Title 39 Section 241.3(2) – “Under 39 U.S.C. 404(b), any decision to ... post office  
3 **must** be based on certain criteria.” The Postal Service failed to follow the law.

4 (1) Title 39 Section 404(d)(2) – “The Postal Service, in making a determination... – (A)  
5 shall consider...” The Postal Service did not consider:

6 (2) 404(d)(2)(A)(i) The effect on the community. Title 39 Section 241.3(c)(4)(i)&(ii)

7 (3) 404(d)(2)(A)(ii) The effect on employees. Title 39 Section 241.3(c)(4)(iii)

8 (4) 404(d)(2)(A)(iii) **Was consistent with the policy of the government.** (Ownership)

9 (5) Title 39 Section 241.3(c)(4)(iv) Savings. – “The proposal **must** include an analysis of  
10 the economic savings to the Postal Service...” (v) Other factors... (vi) Summary.... (vii) Notice  
11 ...”. No proposal, no analysis, no economic savings, no other factors taken into account and no  
12 summary. There is only an unsigned “Notice” to Complain about or Appeal.

13 b. PO-101.131, - “The vice president, Delivery and Retail (or designee), makes the final  
14 determinations ...” Title 39 Section 222.3(a) – “All delegations of authority must be officially  
15 documented.” (d) – “A delegation must agree with the law and regulations under which it is  
16 made ...” The Final Decision to sale the facility is not signed by the VP or his designee (exhibit  
17 1).

18 (1) PO-101.146 – “District Manager, Customer Service and Sales, must give written  
19 authorization to study.” 211 – “... No discontinuance investigation may begin without written  
20 authorization for the district manager...” The District Manger did not give his written approval to  
21 investigate the sale and disposal of the facility.

22 (2) PO-101.26 the Postal Service did not conduct a Community Meeting before making a  
23 Final Decision. (exhibit 2) Title 39 Section 404(d)

24 (3) PO-101.342.1 a copy of the written proposal and a signed invitation for comments was  
25 not posted in each affected Post Office for at least 60 days prior to making a determination.

1 (exhibit 3) Title 39 Section 241.3(2)(i)

2 (4) PO-101.421 the District Coordinator did not review the official record to ensure  
3 compliance with Federal Law, Postal Service policy and the instructions in Handbook PO-101.

4 c. USPS Finance Handbook F-66D Investment Policies and Procedures 3-5.1 – “Properties  
5 with development potential are typically properties that have been **declared surplus** by  
6 postmasters, district or plant managers, or area offices. A property may be **identified as excess**  
7 in the DAR for a new facility...” The Queen Anne Post Office is not surplus or excess to the  
8 needs of the Service or the Public.

9 (1) F-66D 3-5.2 – “... Information about the property is entered into the Realty Asset  
10 Management (RAM) tracking system ... each identified project (i.e. whether the property is to be  
11 developed, outleased, or **sold**). ... the General Counsel and Finance agree on alternatives to be  
12 explored for development projects. RAM provides status reports to the Capital Investment  
13 Committee and the Board of Governors.” The RAM tracking system has not been used after the  
14 Postal Service invested millions of dollars (contract) for it. The General Counsel and Finance  
15 manager have not agreed on this project. The Capital investment Committee and the Board of  
16 Governors (3-5.4) have not been informed of this realty project. The USPS Board of Governors  
17 has not approved this project (3-7.5 Final Approval).

18 (2) F-66D 3-6 DAR Requirements – “Development real estate projects **must** be  
19 documented with a Decision Analysis Report that meet the **minimum requirements** for major  
20 facility projects as described in Handbook F-66A...” No Decision Analysis Report has been  
21 made for this real estate project.

22 (3) F-66D 3-7.1 – “The DAR is circulated to appropriate functions for review and  
23 comment. At a **minimum** the Inspection Service or the Office of Inspector General, Accounting  
24 and Treasurer’s office must provide comments... The general counsel’s opinion memorandum  
25 must be included in the DAR backup documentation...” Neither the IS, OIG, Accounting, or

1 Treasurer's office provided comments and General Counsel did not provide the opinion  
2 memorandum. For example the DAR (exhibit 4) for a nearby "new modernized facility"  
3 remodel was prepared by the Facility Manager Kimberly S. Barnes and approved by the Chief  
4 Postal Inspector, Alexander Lazaroff.

5 d. The Queen Anne Post Office already has a For Sale sign posted, 26 February 2010, from  
6 the CB (Commercial Broker) Richard Ellis a "global leader in real estates service". Apparently  
7 CB Richard Ellis already has a buyer for the building because it has not been listed on their  
8 website for sale (exhibit 8).

9 e. The Final Determination to sell the Post Office is arbitrary, capricious, an abuse of  
10 discretion, or otherwise not in accordance with the law. Arbitrary – despotic, Capricious –  
11 without reason, and Abuse of Discretion – abuse of good judgment.

12 f. USPS Handbook PO-101.242 Justification - The facility lease was not canceled by the  
13 Owner or the Postal Service. The Postmaster position is not vacant. There was no natural  
14 disaster to warrant the sale. The Final Decision to consolidate, sell and dispose of the Post  
15 Office is arbitrary and not based on any authorized justification.

16 g. USPS Supply Management Investment Recovery Plan, 2007, Opportunities: - **"It is**  
17 **critical** for the Postal Service to execute an effective and efficient Investment Recovery Plan. A  
18 well-managed operation will identify opportunities to reduce costs... 3. Ensure investment  
19 recovery is included in the development of a standard plant closing plan and plant **consolidation**  
20 **plan** (including post offices and facility closing plan)." The Postal Service did not develop the  
21 required Investment Plan to sell the facility.

22 h. PRC Commissioner Rudy Y. Goldway's comments to the President's Commission on the  
23 USPS, 3 February 2003, page 10, - **"But more work needs to be done. We all await detailed**  
24 **plans (not just the promise) to consolidate facilities and close unnecessary facilities.** It is  
25 important for Congress not to interfere with these efforts, and to recognize the consumers as a

1 whole will enjoy the benefits of lower costs.” No detailed plans and no lower costs involved.

2 i. The Seattle Queen Anne Station is not on the list of possible Post Office facility closures or  
3 consolidations given to Congress and the Public.

4 j. USPS VP of Facilities, Rudy Umscheid, told Congress in 2003 – “The closing of a post  
5 office is not the HQ, FSO Facilities responsibility. This responsibility falls under the jurisdiction  
6 of the local Districts and Retail Operations.” However, the Employee Memo (exhibit 3) states  
7 that the closure/sale of the Post Office is from a “Western Area Optimization process” and not  
8 the District.

9 k. According to the USPS FOIA leased and owned database there are 36,457 facilities and the  
10 USPS Mailing list of active facilities shows 33,229 facilities, a difference of 3228 (double  
11 counted) facilities. USPS Extended Retail Hours Plan, 26 September 2007 shows a Grand Total  
12 of 31,232 Post Offices based on the Facility Database data as of February 15, 2005. USPS Retail  
13 – Post Office Operations, usps.gov/retail, - “To date, the USPS retail network is comprised of  
14 32,000 Post Offices and 4,169 Contract Postal Units.” (36,169)

15 USPS Initial Brief for PRC Docket No. N2009-1, page 7, - “However, the Postal Service  
16 operates approximately 27,200 Post Offices and 4,800 subordinate stations and branches through  
17 which it provides retail postal services ...” (32,000) Page 17 – “As an Operations Specialist in  
18 the Delivery and Post Office Operations group at Postal Service headquarters, witness Kimberly  
19 Matalik ... Under her direction, field and areas offices have since been **applying uniform**  
20 **criteria to analyze** which of these remaining facilities should move forward...” Page 19 –  
21 “...The process is designed to require consideration of a variety of **information relevant** to each  
22 decision of how best to maintain ready access to postal services, consistent with reasonable  
23 efficiency and the resources available.” Page 24, - “...ignores the fact that the Postal Service  
24 already **relies on U.S. Census data** and local officials’ own knowledge for that very purpose.”  
25 Page 27 – “Further waves of **facility-specific analysis** narrowed the candidate pool...” Page 29 –

1 "... is a **faithful exercise** of the Postal Service's statutory responsibilities." The USPS FOIA  
2 facility database shows that the Postal Service does not consider population with Florida having  
3 1 facility per 18,310 citizens and Vermont with 1 per 2,120 or the miles to the nearest Post Office  
4 with Montana with 933 square miles between facilities and New Jersey with 8 miles (exhibit 10).

5 1. USPS MORE – "The Model for Optimizing Retail Effectiveness (MORE) tool help analyze  
6 the retail needs... MORE utilizes both **internal and external data** to provide a mathematical  
7 summary ... This tool is meant to be used in conjunction with the Retail Optimization Access  
8 Management (ROAM) applications for the best results; ..." Bad data and lack of data shows that  
9 there is no rhyme-or-reason, no relevant information or analysis available and no "uniform  
10 criteria" to the opening, closing, consolidation, sale, disposal, or contracting out of Post Offices  
11 serving the American Public who fully funded the U.S. Postal Service.

12 m. Title 40 Section 545 Procedure for Disposal (2) Transmittal to Congress – "The  
13 explanatory statement shall be transmitted to the appropriate committee of Congress in advance  
14 of the disposal, and a copy of the **statement shall be preserved** in the files of the executive  
15 agency making the disposal." The Postal Service failed to properly inform Congress that it is  
16 disposing of Federal Facilities.

#### 17 **Title 39 section 3030.10(a)(4) Similar Issues**

18 Executive Order 11672, 6 Jun 72, 37 F.R. 11455, Title 39 section 2002, conferred to the GSA  
19 and the Director of OMB that property transferred to the Postal Service at fair market value -  
20 "unless a different basis of valuation is more equitable or better serves the public interest."

21 GAO report GAO/PLRD-82-79 (1979) found that - "leasing as is should only be allowed in  
22 unusual situations and should be supported by a written determination".

23 GAO Report 02-170, December 2001, USPS - "The equity of the U.S. government held in  
24 the former Post Office Department became the initial capital of USPS (approximately \$3 billion)  
25 ..."

1       3. The now empty SeaTac Air Mail Center (AMC) facility built in 1975 with a 55year lease of  
2 the land used to contain the SeaTac 24/7 Post Office was closed in the same unlawful manner  
3 without an Approved Area Mail Processing Plan, Retail Optimization Plan or Public Meeting.  
4 The District Manager lied to the Mayor of SeaTac about it (exhibit 5). The USPS FOIA facility  
5 database shows three AMC facilities at SeaTac Airport. One is owned by the Postal Service  
6 (now closed & empty) and its 55-year lease expire date for the land was changed from 2030 to  
7 2009. The other two buildings are more expensive leased facilities are for Terminal Handling  
8 Services Contractors loading the airplanes that Postal Employees at the other closed AMC  
9 facility use to do.

10       22 December 2006, OIG report NL-AR-07-001, Airport Mail Center Operations – "... network  
11 includes 59 airport mail centers... Initial standardization plans anticipated that 52 of the Postal  
12 Service's 59 AMCs would be converted into ATOs (Air Transport Offices) over an 18-month  
13 period... In July 2006, the Postal Service formally announced that it was considering outsourcing  
14 the principal AMC core functions... **no documentation** to support staffing level... **no**  
15 **productivity documentation** to validate the managers' assessment..."

16       4. The Postal Service did not hold a public meeting or develop a PO-408 complete Area Mail  
17 Processing Plan before it decided to close the Olympia (Washington State Capital) Processing  
18 and Distribution Center facility and sell it.

19       5. The Postal Service did not hold a public meeting or develop an Area Mail Processing Plan  
20 before it closed and sold the Tacoma, WA., Processing and Distribution Center.

21       6. The Postal Service made a Final Decision to close the Post Office located in the Federal  
22 Building downtown Seattle and then asked for "customer input" (exhibit 6). The Postal  
23 Accountability and Enhancement Act Section 302 Network Plan, June 2008, noted on page 43  
24 that there are 170 Post Offices in Federal Buildings and 180 at Military installations throughout  
25 the United States that will be subject to these unlawful closures.



1 7. The Edmonds, WA., Post Office is for sale and no public meeting was held (exhibit 7).  
2 The USPS FOIA Facilities Owned database for Washington State has Edmonds at #32 built in  
3 1992.

4 8. The Postal Service did not hold a meeting before opening the Covington, WA., Post Office  
5 – “Covington officials say they were powerless to block the post office from opening” (exhibit  
6 9). The Covington Post Office is not on the USPS FOIA leased or owned facility database.

7 9. The USPS Mail Transport Equipment Service Center located in Auburn, WA., is not on the  
8 USPS FOIA facility database.

9 Testimony of Bill Clay before the Senate Committee on Governmental Affairs, 23 March  
10 2004, - “In another instance of private-sector outsourcing, the Postal Service in 1998 engaged a  
11 contractor-operated network of **Mail Transport Equipments Service Centers** to provide vital  
12 equipment to supply processing facilities. This project was marked by poor performance and  
13 excessive costs. Again, the Postal Service Inspector General issued a highly critical report  
14 stating, ‘the network was not delivering the right equipment at the right time, customers were  
15 still not satisfied, employees felt frustrated, and mail operations were still not optimized.’ The  
16 IG estimated cost projections for this undertaking as **exceeding** in-house operations by **\$1.1**  
17 **billion...** The American customer should not have to face poor and unreliable service in a quest  
18 to achieve perhaps illusory cost savings or to steer lucrative contracts to commercial customers.”

19 None of the 23 MTESC facilities the Postal Service is paying for nation-wide are on the FOIA  
20 database. Same as the 5 expensive server Data Centers the Postal Service owns or leases.

21 10. In the Seattle Federal Reserve Bank Building Committee v. the Federal Reserve Bank  
22 U.S. District Judge Robert Lasnik found that the Federal Reserve violated the law by selling the  
23 building before undertaking the lawful Due Processes required. He found for the Committee and  
24 ordered the Federal Reserve sale of the bank nullified, finding it “unlawful”, 19 March 2010.  
25 USPS Handbook PO-101.132.1 – “The District Manager, must immediately notify the

1 Headquarters Post Office review coordinator when an action contrary to a discontinuance  
2 proposal occurs... Examples of contrary action include the following: a. Soliciting contract offer.  
3 b. Failing to get interested offers for a community Post Office proposal..." The sale of non-  
4 excess facility of a Federal Agency without using the proper due process is doubly unlawful!

5 **Title 39 section 3030.10(a)(5) Discovery**

6 1. USPS Handbook F66D, Investment Policies and Procedures, 3-6 DAR Requirements, -  
7 "Development real estate projects must be documented with a Decision Analysis Report that  
8 meets the minimum requirements for major facility projects as described in Handbook F66A..." I  
9 ask for a copy of the F66D chapter 3-7 reviewed and approved DAR directing the consolidation,  
10 sale, closure, disposal for all facilities listed for sale in the Seattle Area.

11 2. USPS handbook PO-408 requires that an Area Mail Processing Plan be created before  
12 closing any processing centers. I ask for a copy of the Area Mail Processing Plan that directed  
13 the closure of all the Air Mail Centers and contracting out the work.

14 3. I ask for a copy of the DAR directing the sale of the SeaTac AMC and Post Office facility.

15 4. I ask for a copy of the Contracts for the Terminal Handling Service Contractors loading  
16 mailing onto airplanes at the contract Air Mail Facilities nation wide.

17 5. USPS Handbook PO-101 requires that a Retail Optimization Plan be created before closing  
18 or consolidating (sale) Post Offices. I ask for a copy of the Optimization Node Study, approved  
19 August 2008, noted in exhibit 1 for the Queen Anne Post Office.

20 6. I ask for a copy of the Western Area Optimization process 'concept' approved by  
21 Headquarters noted in exhibit 3.

22 7. I ask for a copy of the Consolidation Recommendation 'concept' approved by Headquarters  
23 noted in exhibit 3.

24 8. Title 39 section 241.1 Post Offices (b) Classification. - "As of July 1 each year, post offices  
25 are classified by the Postmaster General based on the allowable postal revenue units for the

1 second preceding fiscal year as follows: (1) First Class...(2) Second Class...(3) Third Class...(4)  
2 Fourth Class.” I ask for a copy of the Post Office Classification Report showing how many Post  
3 Offices are actually in each Class and a similar Report for Contract Postal Centers by Class  
4 (revenue).

5 **Title 39 section 3030.10(a)(8) Requested Action**

6 1. Pursuant to Title 39 Section 3031.12 I ask the Commission to appoint an independent non-  
7 contract Federal Investigator to review this matter.

8 2. I further ask after the review that the Postal Regulatory Commission order the U.S. Postal  
9 Service not to sell the Queen Anne Post Office and Administrative facility that has not been  
10 found to be under-utilized or excess to the needs of the Public. Further, I ask that the PRC Order  
11 the Postal Service not to sell the working Edmonds Post Office facility, the empty SeaTac Air  
12 Mail Center and Post Office facility. Pursuant to the PRC’s Order not to sell I ask that the PRC  
13 to Order the Postal Service to reopen the SeaTac 24/7 Post Office/AMC.

14 3. Senate Report 108-318, Postal Accountability and Enhancement Act Report of the  
15 Committee on Governmental Affairs, S.2468, 22 July 2004, Rate and Service Complaints – “...  
16 If, after open proceedings the Postal Regulatory Commission finds that the complaint is justified,  
17 this act gives the Commission broad authority to correct violations by ordering the Postal Service  
18 to take whatever steps the Commission considers appropriate. In cases of **deliberate**  
19 **noncompliance** with the law, the Commission is authorized to levy fines based on the  
20 seriousness of the noncompliance.” Because these unlawful acts have harmed the Postal  
21 Service, the Community and Employees I further ask that the U.S. Postal Service Officials and  
22 Contractors involved in the lawful acts be disciplined and/or face criminal charges and fines.

23 4. If the PRC declines to open a Formal Complaint or not issue a Final Agency Decision I ask  
24 to be given a Right to File a Civil Complaint so that I may seek Review of these unlawful acts by  
25 a Federal Judge.

## Summary

The Postal Service did not follow the Law and the Due Process Procedures of Title 39 in determining to sell a facility that is not excess to the needs of the Service. Pursuant to Section 404a(c) – “Any party who believes that the Postal Service has violated this section may bring a complaint....” Also see Title 39 Section 241.3 and 3031.10(2) regarding the jurisdiction of the PRC for review of the Postal Service’s unlawful action and inaction.

### **Title 39 section 3030.10(a)(9) Certification**

I have written to and tried to confer with the Postal Service’s General Counsel Mary Ann Gibbons about this matter and other matters with no response back. Further, PRC Consumer Relations Specialist Annie Kennedy’s (exhibit 11) response that first Complaint I filed with the PRC was “premature” was not in keeping with Title 39 Section 3662’s “Prompt Response Required”. A Complaint that “raises material issues of fact or law” requires the PRC to “bring proceedings on such Complaint.” This Complaint contains Title 39 Section 3030.10(a)(1) facts and circumstances that give rise to the Complaint. Forwarding the Complaint and these facts to the Postal Service’s Office of the Consumer Advocate is not one of the procedures authorized by law for the PRC to follow for Complaints or the less formal Rate or Service Inquires. The response from the Postal Service’s Consumer Affairs Office’s Consumer Advocate’s untitled employee Robert MacCloskey (exhibit 12) responding for “Postal Service Headquarters” that my Complaint is “premature” is further covering up unlawful acts of the Postal Service and hides the unlawful acts from review.

Title 39 Section 241.4(a)(1) – “This section applies when the USPS contemplates any one of the following projects with respect to a customer service facility: ...” The Postal Service Headquarters response - “I do apologize from any inconvenience our planning has caused;” is as bogus as the “planning” of the sale of non-excess Post Office facilities held Public Trust. Did the Postal Service follow the lawful “planning” process to sell a Federal facility?

1 The response states that the Postal Service needs "... to modernize to reflect the changing  
2 lifestyles of the American Public" is in reality forcing the American Public to change its  
3 "lifestyle" and is re-training the Public go to a Contract Postal Center located a pawn shop or  
4 liquor store. Since when is selling a facility a "modernize" business or government practice?

5 The PRC Fact Sheet states: - "The PRC will review the process the Postal Service uses to  
6 make such decisions to ensure that adequate service levels are maintained." Over the last few  
7 years the Postal Service has opened 33,000 Destination Drop Units to serve the discount Mailing  
8 Industry at the same time it was closing thousands of Post Offices that served the full-rate paying  
9 American Public. The American Public not the discount Mailing Industry paid the initial billions  
10 of dollars for the Public Trust facilities and equipment to setup the USPS in 1971. Why is the  
11 Postal Service no longer serving the full-rate paying American Public at the same level it serves  
12 the discount Mailing Industry?

13 In 1789, the Post Office Department started with 75 Post Offices. In 1860, the Post Office had  
14 28,498 Post Offices. In 1901, the Post Office Department operated the largest number of Post  
15 Offices in American history, 76,945. In 1970 the Post Office had 32,002 Post Offices, in 1971  
16 after Reorganization the Postal Service had 31,947 Post Offices, and according to The USPS, An  
17 American History 1775-2006, there were 27,318 Post Offices in 2006. USPS Quarterly Financial  
18 Report August 9, 2005, page 11 Introduction - "... Our products are distributed through our more  
19 than 37,000 Post Offices, Stations and Branches..." How many revenue generating Post Offices  
20 to serve the Public does the Postal Service have? The Federal Government owned 76,945 Post  
21 Offices in 1901 since than 39,945 have been sold or disposed of or 366 a year for 109 years.  
22 Since 1971 the Reorganization Act when the Postal Service was given 32,000 Post Offices by  
23 GSA the Postal Service has sold 24,000 of them and leased 27,000 at a higher cost. That is  
24 selling 600 a year and leasing 675 a year for the last 40 years.

25 In 1971 the Federal Government gave the Postal Service the title to 31,947 facilities and today

1 the Postal Service owns less than 9,000. What happened to 23,000+ facilities placed in Public  
2 Trust Equity with the Postal Service? Therefore, I ask the PRC to ban the sale of facilities held  
3 in Public Trust until the Service accounts for the 30,000+ Public Trust Facilities it was given title  
4 to under the 1971 Postal Reorganization Act. Considering in 1971 when the Postal Service  
5 received 30,000+ facilities own by the Federal Government the Congress said that in  
6 consideration for the equity the Postal Service would pay for the veterans retire for interest and it  
7 failed to do that at the cost of \$27 billion.

8 Cato Policy Analysis No. 146, February 1991 - "The GAO recently surveyed the Postal  
9 Service's property acquisition program and found rampant bureaucratic imperialism: the Postal  
10 Service bought 50 percent more property than it own estimates showed that it needed. On 28  
11 percent of the purchases, the Postal Service did not even attempt to negotiate a lower price – it  
12 simply paid the seller's first asking price."

13 Under the Reorganization Plan of 1950 incorporated in Title 40 section 301, to establish:

14 **"...far-reaching changes which directed the released of rented buildings and greatly**  
15 **reduced the cost of the Government establishment. Similar procedures applied in the**  
16 **larger center of field activity should produce substantial savings."**

17 – President Harry S. Truman.

18 Remarks given by Postmaster General John E. Potter to the Presidential Commission on the  
19 USPS, 8 Jan 03, "... **The point is the Postal Service made a strategic decision not to own**  
20 **everything.**"

21 OIG report FT-AR-02-001, 2002, found that the Shared Real Estate Appreciation Loan  
22 Program "was not comparable to programs offered by private sector." If the Postal Service  
23 made a "strategic decision" that leasing is a better deal for the American Public than why is the  
24 Postal Service buying million dollar homes for its Executives when they should be renting to  
25 save money?

Direct testimony of William P. Tayman JR., General Manager Office of Accounting, before  
the PRC docket number R2001-1, on page 55 (e) Postal Service Assets Do Not Protect Against

1 Financial Risk – “The only real source of long-range financial security is equity. But this is  
2 instead a source of concern for the Postal Service because **our equity is negative estimated to**  
3 **be \$6.7 billion below** its starting value going into the test year.”

4 Stewardship of Federal Facilities: A Proactive Strategy for Managing the Nation’s public  
5 Assets, The National Academies Press, 1998 – “The federal government has invested more than  
6 \$300 billion in 500,000 buildings and other facilities worldwide to support the provision of  
7 government services.”

8 The Congress in 1950 creating Title 40 Public Buildings intended that when a Federal  
9 Building is sold the money must go into a special fund of the Federal Agency to maintain other  
10 facilities or to build new ones. The Postal Service misappropriates the funds from the sale of  
11 federally built and paid-for facilities into its General Fund at the cost of \$100 billion+ in lost  
12 Public Trust Equity for the American Public who funded the U.S. Postal Service. PRC  
13 Commissioner Ruth Y. Goldway said to the President’s Commission, 3 February 2003, the  
14 facilities were “parked in escrow” for the American Public. The U.S. Postal Service produced its  
15 “Transformation Plan” created by the Mailing Industry’s Mail Technical Advisory Committee it  
16 did not tell Congress that it planned to finish the privatization and be renamed as the U.S.  
17 Business Service. The American Public will receive nothing for their billions of dollars invested  
18 in trust with the Postal Service in 1971 or the hundreds of billions more over the last 40 years of  
19 paying full rates.

20 The Mailing Industry received billions of dollars in kickback discount subsidies and contracts  
21 for a big piece-of-the-action of the federally created trillion dollar private mailing industry. The  
22 Federally created Mailing Industry is not an “Industry” if it does not produce anything. The  
23 Mailing Industry is just a Federal approved rip-off of the advertisement revenue from the  
24 American Newspaper Industry that really produces newspapers and binds the Nation together  
25 with information. The Postal Service has bound America with meaningless words and

1 disinformation deceiving the Public about its true intentions for Privatization. If it is true that the  
2 Postal Service created discount Mailing Industry has 9 million Employees and these employees  
3 replaced 137,000 Postal Employees than it is true that each Postal Employee is worth 65 Mailing  
4 Industry Employees. The transformed stakeholder created U.S. Business Service is clearly  
5 setting the final stage for privatization of the U.S. Postal Service with corrupt Postal Executives  
6 and former Executives who failed in every respect of their management responsibilities for  
7 Employees, Equipment and Facilities. The backdoor Mailing Industry "Partners" have already  
8 taken or been given the lion's-share of this Federal Agency's Public Trust Equity through  
9 contracts and discounts.

10 Minutes of the Mailers' Technical Advisory Committee, 15 December 1994, - "In response to  
11 a question, Mr. Runyon explained that 'privatization' could be defined in many ways. Some  
12 good, some bad. He said that steps to be more commercial and more competitive would be  
13 appropriate, but that a wholesale conversion to a private enterprise **would not be good for the**  
14 **American People.**" "Concerning various suggestions related to privatization (like freeing third  
15 class from the rate process), Mr. Henderson suggested that most ideas would be discussed in  
16 various forums, but that a 'pick-and-choose' approach would probably not work."

17 Cato Policy Report, Its Time to Privatize the Postal Service, Sep-Oct 1995, Marvin Runyon: -  
18 "Well, we're being 'privatized' every day by competition ... The only way to do that is to become  
19 more like a private company... And **that is exactly what we're doing.**"

20 May 21, 1998, PBS NewsHour Transcript, Conversation: Retired PMG Marvin Runyon, -  
21 "No, we haven't exploited the postal workers in any way... Well, **we are pretty well privatized,**  
22 as you say. All of our mail is flown in private planes. All of our mail is trucked from city to city  
23 in private trucks. We lease 80 percent of our facilities, so they're privately owned. But you will  
24 never - I don't believe - go totally privatized. First thing-that would eliminate the universal  
25 service at a uniform price." First the loss of a uniform price with discount price for commercial



1 mailers costing \$20 billion a year in revenue and now lost of the six-day delivery to (save?) \$5  
2 billion a year.

3 Statement of John E. Potter before the Committee on Governmental Affairs, 13 May 2002; "...  
4 A **privatized** Postal Service would be shareholder owned. As such, it would focus on profit."

5 CNNMoney.com, 4 August 2009, - "...William Henderson wrote an op-ed in the  
6 Washington Post advocating **privatization** ... Henderson went on to suggest the Postal Service  
7 could be largely owned so the government retained a 'golden share'. Or the USPS could be  
8 **employee-owned through a stock ownership plan.**"

9 Commissioner Goldway stated said to the President's Commission, 3 February 2003, Postal  
10 Employees who have been doing the work to get 10% of what is left of the Postal Service (good  
11 waiters receive a 20% tip). My big question is as a Federal Public Servant looking at nothing left  
12 of the U.S. Postal Service to retire from or with I would like to know **10% of what?**

13 Dated this 18th day of April 2010,

14 

15 Lance McDermott,  
16 1819 So 104 St  
17 Seattle, WA 98168  
18 206 763-6268.  
19  
20  
21  
22  
23  
24  
25

Title 39 Section 3030.11 CERTIFICATE OF SERVICE

Pursuant to Title 39 Section 241(6) the undersigned certifies that he is a person of such age and discretion as to be competent to serve papers. That, on 19 April 2010, I served a copy of the PRC Complaint mailed certified to:

USPS VP of Facilities Tom Samra  
4301 Wilson Boulevard , Suite 300  
Arlington, VA 22203-1861

Dated this 19<sup>th</sup> April 2010,



Lance McDermott  
1819 So 104 St  
Seattle, WA 98168  
206 763-6268

\*\*\*\*\*  
February 23, 2010

**Installation Head**

Seattle – Queen Anne Station

Disposal and/or Re-Development

As you may or may not know, the Postal Service has instituted a Facility Service Office (FSO) Optimization program to generate revenue from under-utilized or excess facilities. To that end, various properties have been identified as possible candidates for consolidation and/or disposal. This FSO program is not associated with the National SBOC program and as a result the FSO disposals noted will be developed in such a way as to continue the Retail presence within the disposal facility or immediate area.

The study proposes we take action per the Optimization Node Study approved August 2008. The WFSO Real Estate Specialist handling the implementation of this plan will be Russ Rainey 303-220-6568; His task specifically, will be to dispose of the property known as the Seattle - Queen Anne Station located at 415 1<sup>st</sup> Ave N, Seattle WA

Please have a stand-up talk with the employees in your facility within seven days, to explain to them what has been approved in the optimization study and what I have covered in this memo (sample outline attached).

Additionally, enclosed is a "Public Solicitation Notice and Fact Sheet." Once your stand-up talk has been completed, please date stamp and post this in the lobby for a period of 15 calendar days. We have a deadline for public response as March 16, 2010. On that date, please date stamp again and return the notice to the WFSO.

The WFSO real estate specialist will also be issuing a notice to various postal and government entities of the action during this timeframe. They will also be ordering various studies of the property including a survey, and environmental report. These contractors will contact you to coordinate a visit to the facility, and may need information. Please give them your cooperation.

Finally, during this marketing period, it will be important for you to keep the appearance of the property neat and clean. Since you have will continue to have full custody of the property, maintenance and protection of the property will remain your responsibility until a sale is consummated.

Sincerely,

Manager, Seattle

CC: DISTRICT FINANCE, CONSUMER AFFAIRS

1

Seattle - Queen Anne Station



## PUBLIC NOTIFICATION

### Seattle - Queen Anne Station

The Postal Service is in the process of balancing the portfolio of existing customer service facilities with the Postal Service's current and projected space needs. During this optimization process the *Seattle - Queen Anne Station* located at 415 1<sup>st</sup> Ave N was identified as a consolidation opportunity.

**Any sale will be subject to the "continuation" of retail services (including P.O. boxes) either remaining in the existing facility or relocating to alternate quarters in the immediate area.**

Please be advised, if this property sells and the Postal Service had to relocate its retail operation, the community contact process will be initiated. This process includes a public meeting with an opportunity for community input. Therefore, the community will be kept informed as the process develops.

If you have any immediate comments regarding this disposal action, please contact Consumer Affairs by March 16, 2010.

PLEASE ADDRESS YOUR COMMENTS TO:

CONSUMER AFFAIRS  
USPS POSTAL SERVICE  
Seattle District  
P.O. Box 90306  
Seattle WA 98109-9631

2

## Seattle - Queen Anne Station

\*\*\*\*\*

This memo will give you a broad outline of the potential Seattle - Queen Anne Station property disposal and the potential relocation of the operations within. A stand-up talk to your employees is required within 7 days of receipt.

- The primary purpose of this stand-up talk is to inform the employees at the Seattle - Queen Anne Station, that this facility is part of a consolidation recommendation to maximize our Facility portfolio and reduce Postal expenditures. The retail operation will remain in the existing facility or relocate to alternate quarters in the immediate area.
- This process is part of the ~~Western Area Optimization~~ process and not affiliated with the national Station and Branch Office Consolidation process.
- This consolidation recommendation 'concept' has been approved by HQs; however, the disposal process could take a considerable amount of time to finalize.
- One of the initial steps in the disposal process is community contact. During this time the employees, District and community will be assured opportunities to express their views concerning the project.

In the event your local sources of communication (newspapers, etc.) make inquiry of you, please refer them to Ernie Swanson, District Communications Program Specialist at 206/470-3306.



**DECISION ANALYSIS REPORT**

**Seattle, WA  
Main Post Office**

**INSPECTION SERVICE SPACE AND  
EXTERIOR FACADE RENOVATION**

Western Facilities Service Office


RESTRICTED INFORMATION

March 11, 2008

DECISION ANALYSIS REPORT  
SEATTLE, WA MAIN POST OFFICE  
INSPECTION SERVICE SPACE RENOVATION, 2<sup>nd</sup> AND 3<sup>rd</sup> FLOORS  
SEATTLE DIVISION HEADQUARTERS

SIGNATURE PAGE


PREPARED BY:

  
Kimberly S. Barnes  
Manager, Facility Requirements  
Western Facilities Service Office

Date


3/19/08

REVIEWED BY:

  
Jack Gustafsson  
Manager  
Western Facilities Service Office

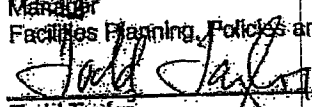
Date

3/25/08

  
Ujjvala Tamaskar  
Manager  
Facilities Planning, Policies and Programs

Date

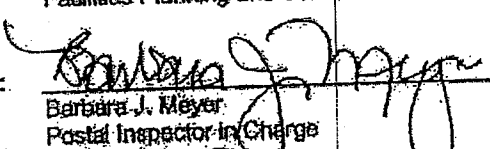
4/8/08

  
Todd Taylor  
Manager  
Facilities Planning and Construction

Date

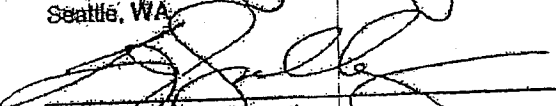
7/29/08

SPONSORED BY:

  
Barbara J. Meyer  
Postal Inspector in Charge  
Seattle, WA

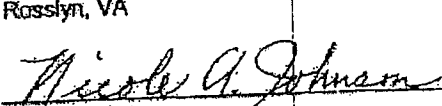
Date

3/12/2008

  
Lawrence J. Spallanzani  
Director, Business Operations US Postal Inspection Service  
Rosslyn, VA

Date

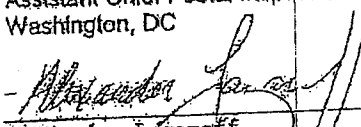
3/13/08

  
Nicole A. Johnson  
Assistant Chief Postal Inspector  
Washington, DC

Date

3/17/08

APPROVED BY:

  
Alexander Lazaroff  
Chief Postal Inspector  
Washington, DC

Date

8/5/08

DECISION ANALYSIS REPORT  
SEATTLE, WA - MAIN POST OFFICE  
INSPECTION SERVICE SPACE AND EXTERIOR FACADE RENOVATION

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DECISION ANALYSIS REPORT  
SEATTLE, WA - MAIN POST OFFICE  
INSPECTION SERVICE SPACE AND EXTERIOR FACADE RENOVATION

BACKGROUND/PROBLEM DEFINITION

The Seattle, WA Main Post Office (MPO) was built in 1959 and is located at 301 Union Street in downtown Seattle. The Postal-owned Seattle MPO is a 43,109-square-foot building on an 11,101-square-foot site. The facility houses a parking garage and dock in the basement, Postal operations for the MPO on the first floor, and the Inspection Service Seattle Division Headquarters on the second and third floors. The air rights and parking garage on top of the Seattle MPO belong to the University of Washington.

The Inspection Service has occupied the 18,676-square-foot space and 24 on-site basement parking spaces since 1986. This unit consists of 27 Inspectors, 9 Analysts and Specialists, and 2 Administrative Support staff. The location is easily accessible to the public, and the Inspection Service's presence in this building provides a major security benefit to the on-site USPS employees and customers. (closed) P+WC

As a law enforcement agency it is critical that the Postal Inspection Service is centrally located, and in close proximity to prosecuting attorneys, the courts, and law enforcement partners. The current location meets all of these operational requirements. The close proximity allows inspectors to walk from one location to another while staying visible and involved in all phases of the prosecution of criminal cases. Moving the office outside the city of Seattle would require extensive drive time due to the traffic congestion that is prevalent in the Seattle area at all hours of the day. Additionally, relocating outside of the Seattle downtown area would be an extreme detriment to maintaining operational proceedings and reduce the time spent on investigative work. There are 20 Federal Criminal Investigative agencies in the Seattle area, 16 of which are located in the downtown area. IS office 20 min to Downtown

The Seattle MPO facility is in poor condition due to continuous water leaking over the years. The general age of the building has taken a toll on the function, as well as, the aesthetics of the building. The entire exterior wall system of the building has deteriorated due to age and inability to find replacement wall system parts. In the winter, cold air blows into the building and in the summer heated air sweeps inside. The wet environment, coupled with the building's current substandard condition has led to the appearance of mold on interior crevasses of the wall. Additionally, due to the inadequate building shell, loud street noises and pollution infiltrates the building.

The existing HVAC pneumatic controls are not functioning. The hydraulic system pipes are corroded and not functioning properly. The 49-year old chiller and boiler system is at the end of its life cycle. In the winter, the interior office temperatures fall below 55 degrees and in the summer, it exceeds 90 degrees. A new modernized wall system will seal the building, eliminate the mold issues, and provide a more energy efficient working environment. The wall system replacement must be done in conjunction with the HVAC so that the new HVAC system can be structurally supported when it is replaced.

The building has an antiquated fire alarm system on the second and third floors, which is an Occupational Safety Health Act (OSHA) violation. There is a wet fire sprinkler system in the basement and a dry system serving the loading dock.

The 1959 electrical distribution and communication systems are out-dated. The existing electrical system does not have the capacity to support the United States Postal Inspection Service (USPIS) office, which uses computers, printers, and other ancillary office equipment. Due to the over-taxed electrical system, electrical breakers are tripped numerous times each day, which degrades the breakers. The aged system does not have surge protectors, and most rooms have extension cords to compensate for the low number of electrical receptacles. The 1959 telephone system does not have the appropriate low voltage wiring or switch, and cannot accommodate the required number of telephone lines or the paging system.

The office configuration is inefficient, and numerous corridors lead to dead-end office spaces. The female support spaces are inadequate, and the workout area does not have locker or shower rooms. The garage door in the basement is at the end of its useful life, and the elevator controls are outdated.

Showers  
at MPO

#### ALTERNATIVE ANALYZED

#### RENOVATE THE US POSTAL INSPECTION SERVICE HEADQUARTERS FIELD OFFICE SPACE IN THE SEATTLE MPO (RECOMMENDED)

Renovate the Seattle MPO exterior façade and operational space the Inspection Service occupies to allow continued occupancy in the Postal-owned facility. Due to the scope of work required and the heavily traveled downtown location, the Inspection Service will need to relocate during construction. A search of USPS facilities within a 10-mile radius resulted in no available facility space that could accommodate the Inspection Service operations.

A 20,133-square-foot temporary alternate quarters location has been identified to serve the Inspection Service operations that is approximately 1.5 blocks from the MPO. A 15-month lease has been negotiated at a cost of \$659,356, and will commence upon project approval. A market rent study for this space dated March 12, 2008 estimates that the market rent for the 15-month period is \$754,986.

This project will replace the facility façade (total exterior of the building), upgrade the HVAC, sprinkler, and other building systems involved with the renovation with the 2<sup>nd</sup> and 3<sup>rd</sup> floor, relocate the Inspection Service to temporary alternate quarters, and renovate the Inspection Service space to provide a safe, efficient work environment. The systems (i.e. HVAC, fire alarm and electrical) on the first floor of the MPO are fully functional at this time and do not need replacement.

#### ALTERNATIVES ELIMINATED

#### CONSOLIDATE WITH ANOTHER INSPECTION SERVICE UNIT OR RELOCATE TO ANOTHER POSTAL FACILITY

The closest Inspection Service facility is the San Francisco Division Headquarters Office located approximately 810 miles to the south, and the facility cannot support the Seattle field unit's operational needs. There are also no USPS facilities in the immediate area that can accommodate the Inspection Service. Therefore, this alternative is not viable.

MPO

#### VACATE EXISTING PROPERTY AND RELOCATE TO ALTERNATE QUARTERS

The existing location is easily accessible to the public, and the Inspection Service's presence in this building provides a major security benefit to the onsite USPS employees and customers. The cost of purchasing land and new construction or leasing existing space and building it out to long term operational space requirements would significantly exceed the cost of pursuing the recommended alternative.

## FINANCIAL SUMMARY

### ALTERNATIVE A

|                                  | AMOUNT<br>FOR APPROVAL<br>UNDISCOUNTED | APPROVAL<br>THRESHOLD |
|----------------------------------|--|-----------------------|
| Capital Investment               | \$ 6,726,000                           | \$ 6,726,000          |
| 15-Month Lease Funding           | \$ 659,356                             |                       |
| Lease Funding Discounted at 4.5% |  | \$ 653,500            |
| Total for Approval               | \$ 7,385,356                           | \$ 7,379,500          |

### CASH FLOW DATA (Ten-Year Operating Period)

|  |               |
|--|---------------|
| Capital Investment                     | \$ 6,726,000  |
| Operating Variance                     | -\$ 671,000   |
| Net Present Value (Discounted at 6.0%) | -\$ 7,004,000 |
| Return on Investment                   | N/A           |

### RECOMMENDATION

Authorization is requested for total funding not to exceed \$7,385,356. This request includes capital funding of \$6,726,000 to renovate the Seattle MPO exterior facade, Inspection Service space, and for tenant improvements to the temporary alternate quarters. Also included in this request is a 15-month lease cost of \$659,356 for temporary alternate quarters. The new modernized facility facade, redesigned floor layouts, and new facility systems, will provide a safe and efficient working environment while maintaining our asset.

Mayor of SeaTac Ralph Shape  
4800 South 188<sup>th</sup> Street  
SeaTac, WA 98188-8605

4 May 2009

Dear Mayor Shape,

It is my lawful duty as a Federal Employee to inform you that Federal Officials of the U.S. Postal Service are closing down the Air Mail Center (AMC) facility at the SeaTac Airport in your community. Your community has already suffered the closing of the only 24/7 Retail Post Office at SeaTac that served the entire Puget Sound area since 1976. I believe that fraud is involved for the following reasons:

1. No public notice was made or public meeting held pursuant to the lawful requirements in the Postal Accountability and Enhancement Act (PAEA).
2. The Seattle District Manager has not completed a Feasibility Study or Area Mail Processing (AMP) Proposal required by PAEA contained in Title 39 sections 404, 778.8, 3691 and Postal Handbook PO-408.
3. The Postal Service does not have an AMP Plan closing the SeaTac AMC and outsourcing the work to contractors approved by the Area Vice President. Therefore, they do not have the legal authority to close down the SeaTac AMC and contract out the work.

**How you can help** - Please contact your Federal Congressional and Senatorial Representatives for your community and ask them to have the:

1. Government Accountability Office look into the fraud for failure to follow the lawful process (Constitutional Due Process) for closing Postal Service facilities (GAO report 08-1022T) and the fraud committed in outsourcing the Federal work (GAO report 08-787).
2. Secretary of Labor along with the Federal Bureau of Investigations look into the fraud of Employee Retirement Income Security Act (ERISA), Title 29 U.S.C. 1141 where it states: - "It shall be unlawful for any person through the use of fraud... or preventing the exercise of any right to which he is or may become entitled under the plan..."

The Postal Service has violated the law and committed fraud in eliminating thousands of ERISA jobs and outsourcing the work to non-ERISA nonunion (can strike) mailing industry stakeholders without an approved or any *Plan*! This has created a billion dollar imbalance in the Federal Pension Fund with less employees paying into it and more employees drawing. The Postal Service is going to fix this by more early retirements and costly outsourcing which will give the Postal Service another reason close facilities and to privatize the work (outsource) because it would rather be a contractor than fulfill its fiduciary responsibility to plan for or manage the work.

Lance McDermott   
1819 So 104 ST  
Seattle, WA 98168  
206 331-1990  
treke@hotmail.com

5

District Manager

MAY 11 2009

CITY MANAGER'S OFFICE



May 8, 2009

Mr. Craig R. Ward  
City Manager of SeaTac  
4800 South 188th Street  
SeaTac, WA 98188-8605

Dear Mr. Ward:

I appreciate your telephone call last week regarding your meeting with Postal employees from the American Postal Worker's Union. At that time I told you that I was unaware of any notification requirement regarding the closure of the Air Mail Center (AMC) located in your city.

Since our conversation I followed up by verifying our regulations in the Postal Operations Manual and contacting our facilities unit for the Western Area. As I suspected notice to city officials is mandatory only when the United States Postal Service discontinues a post office station or branch.

The AMC is used for the distribution, routing, and transportation of mail arriving and departing by aircraft. As such the AMC does not meet the definition of a post office. There are no public services, either retail or delivery from the AMC.

The Postal Service has lost the lease of the AMC property and will be vacating the premises on June 26, 2009. As a courtesy I will let you know should there be any changes to the closure date.

Sincerely

  
Katherine S. Nash  
District Manager

5



May 18, 2009

Mr. Lance McDermott

Seattle, WA 98168

Dear Mr. McDermott:

Following our meeting of May 4, 2009, City Manager Craig Ward telephoned the United States Postal Service (USPS) District Manager Katherine Nash. We received a response letter dated May 11, 2009. Her letter states that notice to city officials is mandatory only when the USPS discontinues a post office station or branch. She adds that the Air Mail Center (AMC) does not meet the definition of a post office station or branch as there are no public services, either retail or delivery. We cannot find anything to dispute her statements. We will, however, point out that closing a facility within our City effects us and our employment opportunities.

It is unfortunate that USPS has chosen to contract with the private sector, but the USPS is within its rights and that it is primarily a labor/management issue.

The US Code does state that the employees are entitled to any other position they are qualified for within the Post Office system or the Executive branch of the government.

We concur, that following the closure of the Sea-Tac Airport 24/7 Post Office to the public after 9-11, the Riverton Heights Post Office extended its hours to better serve the public, but the business hours and staffing levels have since been reduced resulting in long lines and extensive waits.

In her letter, Ms. Nash writes that the Postal Service lost the lease of the AMC property and will be vacating the property on June 26, 2009. City staff contacted the Port of Seattle regarding the lease. The Port replied that the lease expires on December 31, 2030, but included a clause that allowed the Port to terminate the lease with one year notice if the site was needed for a capital project which has been approved by the Commission. According to the Port, the site is needed for hardstand for parking aircraft and the Commission approved the lease termination and design of the project.

Thank you for bringing these issues to our attention.

Sincerely,

Ralph Shape

Mayor

C: SeaTac City Council  
Craig Ward, City Manager  
Todd Cutts, Assistant City Manager  
Katherine Nash

RS:lke

800 South 188th Street  
SeaTac, WA 98188-8605

City Hall: 206.973.4800  
Fax: 206.973.4809  
DD: 206.973.4808

Mayor  
Ralph Shape

Deputy Mayor  
Gene Fisher

Councilmembers  
Chris Wythe  
Terry Anderson  
Tony Anderson  
Barry Ladenburg  
Mia Gregerson

City Manager  
Craig R. Ward

Assistant City Manager  
Todd Cutts

City Attorney  
Mary E. Mirante Bartolo

City Clerk  
Kristina Gregg

Members:

Puget Sound Business Journal (Seattle) - July 24, 2009  
/seattle/stories/2009/07/20/daily59.html



Friday, July 24, 2009

## Post office may close First Avenue facility in downtown Seattle

Puget Sound Business Journal (Seattle)

The U.S. Postal Service said it's considering closing its location in the Federal Building at 909 First Avenue in downtown Seattle.

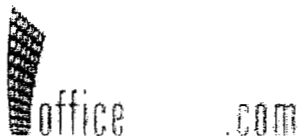
According to the Postal Service, no mail is delivered out of the facility and there are no post office boxes.

"Technological advances and the current economy have combined to change the way people use and access retail products offered by the U.S. Postal Service. Ongoing mail volume and revenue loss trends demand that we review all postal operations for opportunities to streamline processes and provide service more efficiently," said Katherine Nash, Seattle district manager, in a statement.

*Before the decision is made*

Before the Federal Station location is closed, customers can provide input by filling out a survey located at the counter of facility.

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 Southend  
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## Properties For Sale (469)

### Seattle Region - All Markets (Map)

NEW Map Properties | New Listings Only | Advanced Search

Office/Re

F  
M

|               |                       |                            |              |              |
|---------------|-----------------------|----------------------------|--------------|--------------|
| Sound<br>Ford | South/West Seattle    | 79,209                     | \$21,000,000 |              |
|               | Bell Towne Centre     | Olympia/Thurston County    | 43,843       | \$12,945,000 |
|               | SeaTac Center         | SeaTac                     | 61,231       | \$10,850,000 |
|               | 123-129 Lake Street   | Kirkland/Totem Lake        | 30,293       | \$8,500,000  |
|               | 2200 Western Building | Waterfront                 | 57,600       | \$6,500,000  |
|               | Landmark Offering     | Renton/Tukwila             | 19,755       | \$5,926,500  |
|               | 14925 Chain Lake Road | Snohomish County           | 22,098       | \$5,200,000  |
|               | Edmonds Post Office   | Lynnwood/Mountlake Terrace | 8,632        | \$4,150,000  |
|               | Pitney Bowes Building | Renton/Tukwila             | 22,318       | \$4,000,000  |

7



[www.cbpre.com](http://www.cbpre.com)

**For Sale**  
**206 292 6000**

Retail Post Office to Remain Open

**CBPRE**

CB RICHARD ELLIS

**BRYAN HESTER**

**MILT REIMERS**


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## Local Real Estate, Worldwide

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Last Modified: Friday, April 25, 2008

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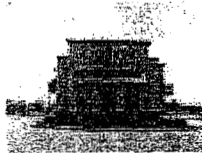
## Properties for Sale

Sort By Select On Below☐ 0 Selected[\(Modify Search\)](#)**32 N. Brookside Avenue**

\$400,000  
3,808 SF Bldg  
Post Office

**Springfield, PA**

32 N. Brookside Avenue has 3,808 SF available, is for office or retail use, 12 +/- parking spaces, 1 loading dock, visible building signage, highly...

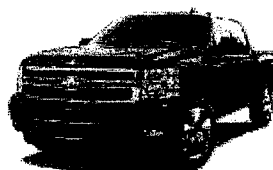
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## End of the road for Covington post office?

By Susan Gilmore  
Seattle Times staff reporter

COVINGTON — The city of Covington may give its new post office a red light — or no light at all.

☒ E-mail this article

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Because of a dispute over who should pay for a new traffic signal at a busy intersection, the City Council is considering blocking off the only street to the post office, cutting off access to the building, which opened in April.

City officials say the post office has reneged on an agreement to pay \$75,000 toward road improvements, including a traffic signal now being installed at Southeast 272nd Street and 172nd Avenue Southeast. As a result, they say, the town may not have the money to complete the job.

"We're stuck between a rock and a hard place," said City Manager Andrew Dempsey. "We know if we close the road they'll probably go to court and get an injunction. I'm not stupid, but I don't know what to do anymore."

The council will consider closing the road at a meeting Tuesday.

The post office feels it has "fulfilled our obligations," said Al DeSarro, a spokesman for the U.S. Postal Service in Denver. But negotiations continue, and "we're optimistic about reaching a solution."

In a letter sent to Covington yesterday, the post office said it paid \$53,000 for street improvements and \$21,000 for other improvements. But Dempsey said the Postal Service gave no specifics on where that

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money went; Dempsey's own analysis, figuring the costs of asphalt, concrete and other work, put the contribution at only \$19,000 — \$56,000 short of the commitment.

Dempsey said Covington is paying \$670,000 for the traffic light and other improvements to Southeast 272nd — Highway 516. The state Department of Transportation is contributing an additional \$310,000, he said. The signal is expected to be completed in a month.

The intersection is so busy, say state highway officials, that if the city hadn't put in the signal, the project would have ranked in the top 10 to 15 percent on the state's priority list for new signals. About 30,000 vehicles cross through the intersection each day, one-third the number that travel the Alaskan Way Viaduct in Seattle.

Covington, which incorporated in 1997 after plans for the post office were under way, is left with four options: halt work on the light; block the road to the post office; trim the project by the amount the city thinks is owed by the Postal Service; or simply pay the \$56,000 itself and continue to press the federal government for the money.

"It's sad it's gotten to this," Dempsey said. "We may be forced to say, 'Stop the work.'"

The city proposed yesterday that the post office pay the city \$56,000 to solve the dispute.

Dempsey said the Postal Service, as a federal agency, didn't even need a building permit to put up its building.

"If anyone but the federal government had come in to build a building," he said, "we would have required a building permit" and would not have granted it until the street was deeded to the city. Even the Transportation Department told Covington in a 1998 letter that it should not let the post office open until the light was installed.

Covington officials say they were powerless to block the post office from opening. No one disputes that Covington wanted a post office badly, with the nearest one seven miles away in Kent.

Said Covington Mayor Pat Sullivan: "We hope it doesn't come to closing the road. It would be a black eye for all of us."

DeSarro, with the Postal Service, thinks the problem can be resolved without the road closing. "We're committed to working this out with the city," he said.

*Susan Gilmore can be reached at 206-464-2054 or [sgilmore@seattletimes.com](mailto:sgilmore@seattletimes.com).*

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|-----------------|--------|-------|------------------|------------|--------|---------|-------|
| Alabama         | 553    | 137   | 690              | 4,661,900  | 6,756  | 50,744  | 73    |
| Alaska          | 139    | 118   | 257              | 686,293    | 2,670  | 591,951 | 2,303 |
| Samoa           | 3      |       | 3                |            |        |         |       |
| Arizona         | 216    | 132   | 703              | 6,500,180  | 9,246  | 113,634 | 161   |
| Arkansas        | 571    | 146   | 717              | 2,855,390  | 3,982  | 52,068  | 72    |
| California      | 1445   | 593   | 2038             | 36,756,666 | 18,035 | 155,959 | 76    |
| Colorado        | 397    | 171   | 568              | 4,939,456  | 8,696  | 103,717 | 182   |
| Connecticut     | 275    | 97    | 372              | 3,501,252  | 9,411  | 4,844   | 13    |
| Delaware        | 48     | 27    | 75               | 873,092    | 11,641 | 1,953   | 26    |
| DC              | 51     | 10    | 61               | 591,833    | 9,702  | 61      | 1     |
| Florida         | 634    | 367   | 1001             | 18,328,340 | 18,310 | 53,926  | 53    |
| Georgia         | 626    | 244   | 870              | 9,685,744  | 11,133 | 57,906  | 66    |
| Guam            | 7      | 2     | 9                |            |        |         |       |
| Hawaii          | 85     | 45    | 130              | 1,288,198  | 9,909  | 6,422   | 49    |
| Idaho           | 208    | 50    | 258              | 1,523,816  | 5,906  | 82,747  | 320   |
| Illinois        | 1149   | 416   | 1565             | 12,901,563 | 8,291  | 55,583  | 35    |
| Indiana         | 648    | 204   | 852              | 6,376,792  | 7,484  | 35,866  | 42    |
| Iowa            | 804    | 164   | 968              | 3,002,555  | 3,101  | 55,869  | 57    |
| Kansas          | 537    | 126   | 663              | 2,802,134  | 4,226  | 81,814  | 123   |
| Kentucky        | 653    | 158   | 711              | 4,269,245  | 6,004  | 39,728  | 55    |
| Louisiana       | 466    | 152   | 618              | 4,468,796  | 7,231  | 43,561  | 70    |
| Maine           | 418    | 56    | 474              | 1,316,456  | 2,777  | 30,861  | 65    |
| Maryland        | 389    | 174   | 563              | 5,633,597  | 10,006 | 9,773   | 17    |
| Massachusetts   | 549    | 172   | 721              | 6,497,967  | 9,012  | 7,840   | 10    |
| Michigan        | 828    | 255   | 1083             | 10,003,422 | 9,236  | 56,803  | 52    |
| Minnesota       | 728    | 154   | 882              | 5,220,393  | 5,918  | 79,610  | 90    |
| Mississippi     | 374    | 103   | 477              | 2,938,618  | 6,160  | 46,906  | 98    |
| Missouri        | 851    | 239   | 1090             | 5,911,605  | 5,423  | 68,885  | 63    |
| Montana         | 78     | 78    | 156              | 967,440    | 6,201  | 145,552 | 933   |
| Nebraska        | 434    | 68    | 502              | 1,783,432  | 3,552  | 76,872  | 153   |
| Nevada          | 96     | 68    | 164              | 2,600,167  | 15,854 | 109,825 | 669   |
| New Hampshire   | 215    | 40    | 255              | 1,315,809  | 5,160  | 8,968   | 35    |
| New Jersey      | 566    | 265   | 831              | 8,682,661  | 2,802  | 7,417   | 8     |
| New Mexico      | 295    | 128   | 423              | 1,984,356  | 4,691  | 121,355 | 286   |
| New York        | 1551   | 573   | 2124             | 19,490,297 | 9,176  | 47,213  | 22    |
| North Carolina  | 764    | 198   | 962              | 9,222,414  | 9,586  | 48,710  | 50    |
| North Dakota    | 307    | 37    | 344              | 641,481    | 1,864  | 68,975  | 200   |
| Mariana Islands | 2      | 1     | 3                |            |        |         |       |
| Ohio            | 963    | 381   | 1344             | 11,485,910 | 8,546  | 40,948  | 30    |
| Oklahoma        | 530    | 177   | 707              | 3,642,361  | 5,151  | 68,667  | 97    |
| Oregon          | 347    | 85    | 432              | 3,790,060  | 8,773  | 95,996  | 222   |
| Pennsylvania    | 1588   | 483   | 2071             | 12,448,279 | 6,010  | 44,816  | 21    |
| Puerto Rico     | 110    | 34    | 144              |            |        |         |       |
| Rhode Island    | 67     | 29    | 96               | 1,050,788  | 10,945 | 1,044   | 10    |
| South Carolina  | 355    | 102   | 457              | 4,479,800  | 9,802  | 30,109  | 65    |
| South Dakota    | 306    | 63    | 369              | 804,194    | 2,179  | 75,884  | 205   |
| Tennessee       | 528    | 185   | 713              | 6,214,888  | 8,716  | 41,217  | 57    |
| Texas           | 1372   | 625   | 1997             | 24,326,974 | 12,181 | 261,797 | 131   |
| Utah            | 154    | 78    | 232              | 2,736,424  | 11,794 | 82,143  | 354   |
| Vermont         | 271    | 22    | 293              | 621,270    | 2,120  | 9,249   | 31    |
| Virgin Islands  | 10     | 7     | 17               |            |        |         |       |
| Virginia        | 785    | 230   | 1015             | 7,769,089  | 7,654  | 39,594  | 39    |
| Washington      | 474    | 136   | 610              | 6,549,224  | 10,736 | 66,544  | 109   |
| West Virginia   | 643    | 106   | 749              | 1,814,468  | 2,422  | 24,077  | 32    |
| Wisconsin       | 709    | 130   | 839              | 5,627,967  | 6,707  | 54,310  | 64    |
| Wyoming         | 126    | 63    | 189              | 532,668    | 2,818  | 97,100  | 513   |
|                 | 27298  | 8904  | 36457            |            |        |         |       |

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Office of Public Affairs  
and Government Relations

March 18, 2010

Lance P. McDermott  
1819 S 104 Street  
Seattle, WA 98168

Dear Mr. McDermott:

This responds to your correspondence to the Postal Regulatory Commission concerning the sale of the Queen Anne post office in Seattle, Washington. Specifically, you requested an appeal of the Postal Service's decision to sell the Queen Anne post office.

After review of your correspondence, as this office is apparently not closed at this time but is up for sale, an appeal is premature at this time. The Commission's jurisdiction in this area is limited. Only the appeal of the closing of a post office falls within the jurisdiction of the Commission. In an effort to be of assistance, I have forwarded your concerns to the Office of the Consumer Advocate for the Postal Service as a service issue and asked that they respond to you directly.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Annie Kennedy".

Annie Kennedy  
Consumer Relations Specialist

cc: Delores Killelte  
Vice President and Consumer Advocate  
US Postal Service



April 6, 2010

Lance P. McDermott  
1819 S. 104th Street  
Seattle, WA 98168-1647

Dear Mr. McDermott:

This is to respond to your contact with the Postal Regulatory Commission, who shared it with our Consumer Advocate. I am responding for the Consumer Advocate.

As Ms. Kennedy noted in her letter to you of March 18, 2010 the effort to appeal closure of the Queen Anne Post Office is premature as the office is not closed at this time. I do apologize from any inconvenience our planning has caused; as American lifestyles and ways of doing business have changed, we need to modernize to reflect the changing lifestyles of the American public. We will need the flexibility to respond to market dynamics and the speed necessary to adapt to past and future changes.

For any future Postal Service issues in your area please feel free to contact the District Consumer Affairs Office nearest you at 206-378-2600 as they have the ability to respond to local issues in the most timely and efficient manner.

Thank you for contacting the United States Postal Service.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert MacCloskey", written over a horizontal line.

Robert MacCloskey  
Postal Service Headquarters